

MEMORANDUM FOR THE RECORD

SUBJECT: Policy Group Meeting of 10 April 1987

Attendees:



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The meeting discussed the issues reflected on the attached agenda. The following points were raised under each topic:

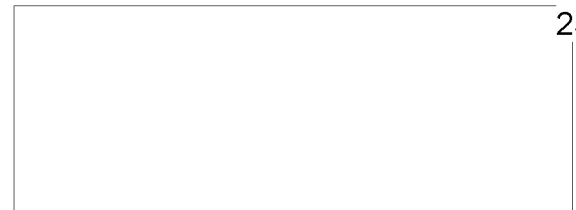
1. Retirement Education Program - I provided a brief summary of the Retirement Education Program that would be carried out in the next two months. I focused on the trip to three domestic locations and the purpose of those trips. I also outlined the beginnings of the Transfer Education Program that would start later this month with the publication of a booklet. The tentative scheduling of briefings on the transfer option were also mentioned.

2. Testing on Modification to Payroll System for Thrift Plan Contributions - [redacted] provided an update on the testing of the modifications to the payroll system that will enable deductions to be made for Thrift contributions. He indicated that testing of the master file and the pay-compute had gone well. The master file tests had been completed with no problems and the second full test of the pay-compute system was underway. If no problems were encountered in this current test (that would take place before the 17th of April), then he fully expected the system would operate correctly for the 5 May pay period. There was some general discussion of potential problems that could develop with unusual cases. Some felt that if we missed the deduction through our fault, we should make some restitution of lost interest. There is some precedent for situations where errors occurred; restitution was then made out of appropriated funds. There was some expression that the amount of money would be so small that this would be unnecessary. The issue was left unresolved, but [redacted] would followup with discussions with the appropriate parties.

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4. Memorandum of Understanding (MOU) with OPM - The group reviewed the draft version of the MOU outlining the Agency's general plans for internally administering all of its retirement systems. No objections were raised. I indicated that this would be the umbrella document for our overall relationship with OPM on retirement; separate MOU's would be drafted on specific issues as required. I mentioned that an MOU on financial transactions between the two organizations was in preparation and would be an annex to the primary MOU. I cautioned the group that this was still a draft and that it should not be shared with anyone outside the Agency because it had not yet been blessed by senior Agency management. (I added this caution because [] had provided a copy of the draft MOU and another on financial arrangements to OPMS's John Webster without authorization.)

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5. Update on Thrift Savings Plan - [] provided a status report on participation in the Thrift Savings Plan. He indicated that some 4600 employees had elected to participate; 38% were participating at the maximum. He indicated that all of the elections, with the exception of 560, had been inputted. Some of these were cases that needed some research to resolve eligibility. He cited the shortage of people as a problem in administering the Thrift and mentioned that the second open season would begin on 15 May.

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6. Money Provided for Retirement Administration - This brief discussion centered on the use of the two million dollars that had been provided by the Comptroller for retirement administration. [] had asked if any of that money could be used to fund site visits by members of the Retirement Automation group. I had indicated that I did not think it was a good idea to use the money for that purpose until we knew what our development costs would be for an automated Thrift Savings Plan System and a Retirement System. [] provided a summary of what he thought the expenses would be for automation over the next year. Projected expenses were well within the budget and that was allowing money for additional hardware purchases of some \$500,000. [] indicated that there were no strings attached to the money and that we were free to use it for anything related to retirement automation. It was agreed that use could be made of this money for site visits, but that we would monitor the situation carefully so that we stayed within our budget.

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7. Policy Issues - [] discussed the issue of whether the Agency should assume responsibility for processing Thrift disbursements in death cases involving active employees. Members of the Compensation Division of the Office of Finance indicated that they wanted OPM to provide this payment. Only about five cases a year would be involved. The Policy Group, without discussion, agreed that we should do this processing. [] indicated that he would talk to [] about this matter.

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